



California Community
Reinvestment Corporation

May 7, 2013

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Mail Stop 9W-11
400 7th Street SW
Washington, DC 20219
Docket ID OCC-2013-0003
Regs.comments@occ.treas.gov

Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1456
Regs.comments@federalreserve.gov

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
comments@fdic.gov

Dear Sirs/Madams,

The California Community Reinvestment Corporation is a non-profit multi bank statewide lending consortium that provides permanent loans on multi-family rental housing throughout California. Our properties target residents who earn less than 60% of area median income, and were it not for the Community Reinvestment Act and banks willing to invest in CCRC and its loan programs, I fear these projects would not have access to capital. The ability to source deals throughout the entire state with the multi-bank pool allows for more equal access to credit in harder to serve rural areas, more difficult populations and deals that otherwise would be passed over for more mainstream projects. In additional, CCRC's bank members run from the largest to the smallest. The ability for even the smallest bank to provide capital to the pool and hence to projects increases the flow of capital to underserved markets as well as allows smaller banks with less sophisticated CRA programs to participate in a much less risky way.

It is my belief that the nature of our pool ensures more equal access to capital across geographies and populations that many lending models available. It is for this reason we write to comment on your proposed revisions to the Interagency Q&A's regarding Community Reinvestment.

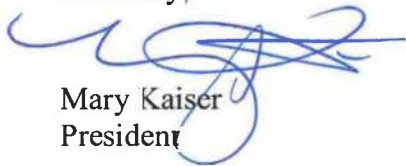
Thank you for the opportunity to comment on your proposed revisions to the "Interagency Questions and Answers Regarding Community Reinvestment."

- We strongly support your effort in the revisions to increase the flow of private capital to underserved areas by appropriately recognizing the value and impact of Community Development (CD) activities within the Community Reinvestment Act (CRA) evaluations.

- Your reaffirmation of favorable CRA consideration for bank investments in statewide and regional multi-investor funds will help incentivize CD lending and investment to meet community development needs in California. The revisions correctly acknowledge that banks should receive full CRA credit for the amount of their investments in such funds.
- We also appreciate your recognition of the fact that CD lending and investing by pooled funds that both meet community development needs and also diversify banks' risks, takes time, especially in states like California. CD activities are often innovative, and complicated, in order to best meet the community development needs of distinct communities.
- "Earmarking" projects financed with pooled funds, and "side letters", create disincentives for banks to participate in multi-investor funds, and undermine the objectives of pooling funds from multiple institutions. Side letters can also restrict the CD funds' ability to cross-subsidize the more complex deals with simple ones. A pro-rata system whereby banks receive CRA credit equal to the share of their investments has worked successfully for years.
- We urge you to finalize the revisions as soon as possible. Given current economic conditions, we respectfully request that you do not delay issuing the final community development Q&As until the full set of revised Q&As is completed.

Thank you.

Sincerely,



Mary Kaiser
President

